

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7079

BILL NUMBER: HB 1156

DATE PREPARED: Feb 22, 2001

BILL AMENDED: Feb 22, 2001

SUBJECT: Motor Vehicle Dealers.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill defines "relevant market area". It requires a franchisor to give notice to each new motor vehicle dealer within the relevant market area where the same line make is represented before the franchisor enters a franchise establishing or relocating a new motor vehicle dealer within the relevant market area. The bill allows a new motor vehicle dealer to bring a declaratory judgment action to determine whether good cause exists for the establishing or relocating of a proposed new motor vehicle dealer. It provides that it is an unfair practice for a motor vehicle manufacturer or dealer to establish or acquire wholly or partially a franchisor-owned outlet engaged in a business substantially identical to that of a franchisee within the exclusive territory granted the franchisee by the franchise agreement, even if the franchisor-owned outlet is engaged in the business only partially. The bill amends the law on the succession to a motor vehicle dealership franchise by designated family members to make the law applicable to a situation in which the successor designated by the franchisee is the spouse of a child or grandchild of the franchisee. It provides that a Temporary Vehicle Delivery permit is valid for 96 hours rather than for 48 hours.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) In CY 1999, 7,135 Temporary Vehicle Delivery Permits valid for 48 hours were issued by the Bureau of Motor Vehicles (BMV). Changing the duration of the permit to 96 hours will have little, if any fiscal impact on the BMV. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues: (Revised) In CY 1999, the revenue generated from the sale of the 7,135 permits amounted to \$33,892. These permits are for the purpose of transporting or delivering vehicles. Since each permit is valid for only one vehicle, there should be little or no change in permits sold. The funds affected are the Motor Vehicle Highway Account, the State License Branch Fund, which supports the Bureau of Motor Vehicles Commission, and the State Police Building Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: Cash Audit of the BMV for 1999.